

105TH CONGRESS
1ST SESSION

S. 430

IN THE HOUSE OF REPRESENTATIVES

MAY 22, 1997

Referred to the Committee on Resources

AN ACT

To amend the Act of June 20, 1910, to protect the permanent trust funds of the State of New Mexico from erosion due to inflation and modify the basis on which distributions are made from those funds.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. PERMANENT TRUST FUNDS OF THE STATE OF**
 2 **NEW MEXICO.**

3 (a) **SHORT TITLE.**—This Act may be cited as the
 4 “New Mexico Statehood and Enabling Act Amendments
 5 of 1997”.

6 (b) **INVESTMENT OF AND DISTRIBUTIONS FROM**
 7 **PERMANENT TRUST FUNDS.**—The Act of June 20, 1910
 8 (36 Stat. 557, chapter 310), is amended—

9 (1) in the proviso in the second paragraph of
 10 section 7, by striking “the income therefrom only to
 11 be used” and inserting “distributions from which
 12 shall be made in accordance with the first paragraph
 13 of section 10 and shall be used”;

14 (2) in section 9, by striking “the interest of
 15 which only shall be expended” and inserting “dis-
 16 tributions from which shall be made in accordance
 17 with the first paragraph of section 10 and shall be
 18 expended”; and

19 (3) in the first paragraph of section 10, by add-
 20 ing at the end the following: “The trust funds, in-
 21 cluding all interest, dividends, other income, and ap-
 22 preciation in the market value of assets of the funds
 23 shall be prudently invested on a total rate of return
 24 basis. Distributions from the trust funds shall be
 25 made as provided in Article 12, Section 7 of the
 26 Constitution of the State of New Mexico.”.

1 (c) CONSENT OF CONGRESS.—Congress consents to
2 the amendments to the Constitution of the State of New
3 Mexico proposed by Senate Joint Resolution 2 of the 42nd
4 Legislature of the State of New Mexico, Second Session,
5 1996, entitled “A Joint Resolution proposing amendments
6 to Article 8, Section 10 and Article 12, Sections 2, 4 and
7 7 of the Constitution of New Mexico to protect the State’s
8 permanent funds against inflation by limiting distributions
9 to a percentage of each fund’s market value and by modi-
10 fying certain investment restrictions to allow optimal di-
11 versification of investments”, approved by the voters of the
12 State of New Mexico on November 5, 1996.

Passed the Senate May 21, 1997.

Attest:

GARY SISCO,
Secretary.